

EXHIBIT 355



Subject:		Orig	12/11/2006
Authentication of Prescription Order Policy		Page	1 of 2
		Rev Date	10/07/2013
Procedure Number	Inventory Controls Doc 1	Department	SAIL
Approved By	Dusty McCoy	Written By	Heather Smith

I. Purpose

- A. To establish procedures for verifying questionable store order quantities on RX items.

II. Scope

- A. This procedure covers the steps in verifying questionable store order quantities prior to order processing on RX items.

III. Procedure

- A. Responsibilities of the computer room personnel and SAIL team.—Prior to Order Processing
1. Once transmissions have been received from the stores to its fullest, query name SCORDRSREV is printed for the next process cycle date to be reviewed. Any RX order greater than 24 skus of one item should print on query in store numerical order along with SS items.
 2. The CR/SAIL personnel working the query will review the listing. If there is a questionable quantity, the pharmacy is contacted at that store and the order is questioned. If the order is incorrect, the original order for the item(s) is deleted and rekeyed correctly.
 3. Once all orders have been reviewed for accuracy, the computer room personnel is notified to kick off Order Processing.
- B. Responsibilities of the RX team member personnel, Location Control and SAIL team—Stores Picking date
1. As RX team members are picking orders, if an order seems questionable, SAIL office will be contacted via phone for order accuracy verification.
 2. SAIL team member contacts the pharmacy personnel at the store for order verification. If order is incorrect, a replenishment markdown is done on the billings by our Loc Control team and only the requested # of skus/cases is sent.
- C. Responsibilities of Walgreens Company
1. The Walgreens Strategic Inventory Management System will stop what would be considered suspicious controlled drug orders from being released for picking at the DC based on the algorithm that looks at past sales and order frequency.
 2. If we suspect a store order to be suspicious, the order will be cancelled and then reported to the FDA, the Board of Pharmacy, and the DEA for controlled substance within three business days.



Mt. Vernon, Illinois Distribution Center
Quality System Procedure

Subject:		Orig	12/11/2006
Authentication of Prescription Order Policy		Page	2 of 2
		Rev Date	10/07/2013
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IV. Training

A. To establish procedures that properly train, evaluate, and guide the team members on the process.

1. The SAIL Function Manager will be responsible for the training and enforcement of all procedures.
2. Training will be reviewed with all team members quarterly by the SAIL Manager.
3. Procedures will be reviewed with recommended changes made and policies updated.

Suspicious Order Monitoring Program Policy and Procedures for the Pharmaceutical Integrity Team

This **policy** and specific **procedures** govern how controlled substance orders are processed and what steps are taken by the Pharmaceutical Integrity team to investigate orders of interest in the Controlled Substance Order Monitoring system (CSOM).

Overview

Walgreens Distribution Centers (DCs) *must* take reasonable measures to identify its customers, understand the normal and expected transactions conducted by those customers, and identify transactions involving controlled substances that are suspicious in nature. For the purpose of this document, a DC "customer" is an individual Walgreen pharmacy. Orders must be assessed to ensure that quantities of controlled substances ordered by a specific location are reasonable. In making these assessments, the DC may consider the pharmacy's clinical business needs, location, and population served. Walgreens **must report** to the DEA any order that is determined to be suspicious.

How to Identify Normal, Expected Transactions

The following elements allow the Pharmaceutical Integrity team to understand and identify normal and expected transactions, which assists in identifying potentially suspicious transactions.

- **Accumulation of Receipts over time period:** The CSOM accumulates the amount of each controlled substance over a specified limitation period (i.e. over the last six weeks).
- **Ceiling Limit:** Data mining is done across Walgreens retail pharmacies to determine the maximum amount that a pharmacy should be allowed to receive in a rolling six week time period, based on statistical linear regression. The analysis compares like pharmacies across the country based on prescription volume and determines, by drug, an amount that would represent an unusual quantity.

Factors for Assessing all Orders to Determine Whether the Transaction is Reasonable

The following elements allow the Pharmaceutical Integrity team to assess all orders for controlled substances to determine whether the transaction is reasonable. This analysis is done for all controlled substance orders regardless of quantity.

- **Available to Order:** The pharmacy is allowed to order the quantity that is left, "open," which is the ceiling limit, set through the analytical technique identified above, minus any accumulation of receipts over the six weeks along with any currently open orders that are in the supply pipeline. For example, if the pharmacy has a ceiling limit for Drug X of 10,000 dosage units, an accumulation of 5,000 dosage units, and 1,000 dosage units on order, the amount available to order is 4,000 ($10,000 - (5,000 + 1,000)$).
- **Central Monitoring and Control Dashboard:** The Pharmaceutical Integrity team is able to centrally monitor when a particular pharmacy is approaching a percentage of their ceiling limit (e.g. 75%) for any selected controlled substance as an early warning system to alert the corporate team of a potential concern. The team can then contact the pharmacy to determine if there is a concern or if the demand is justifiable.
- **Tolerance Limits:** Tolerance limits are in place to identify any unusual activity on an order-by-order basis to ensure that no individual order exceeds a given statistical limit. This calculation is based on that pharmacy's past order history.

Suspicious Order Monitoring Program Policy and Procedures for the Pharmaceutical Integrity Team

Reporting to DEA and State Agencies

Reporting is required to DEA and the applicable state agency when a transaction takes place that involves an extraordinary quantity of a controlled substance. The processes and policies put in place by Walgreens prevent any shipments from occurring that involve an extraordinary quantity; however, should any such order take place, it must be investigated to determine whether it is suspicious. If during the process the 'order of interest' is determined to be valid, documentation is required before the ceiling limit can be increased and additional orders can be shipped. If during the course of the investigation the order is deemed suspicious, the order is not shipped and it is reported to DEA and the state agency, if applicable.

In the event that a pharmacy requests that an order be shipped which exceeds the ceiling or tolerance limit, the Pharmaceutical Integrity team considers clinical business needs, location, and population served, in addition to other factors, prior to approving the order.

Using the Central Monitoring and Control Dashboard for Controlled Substance Order Monitoring

Process Overview

- Dedicated analysts investigate any order deemed an "order of interest." After investigation, any order of interest deemed suspicious will be reported to DEA.
- Pharmaceutical Integrity analysts are assigned specific markets so that the market is viewed in its entirety, as well as at the district, store and individual order level.
- Managers provide process and analytical support as needed.
- Each market is analyzed using the CSOM. The CSOM systematically highlights orders approaching tolerance and/or ceilings so that analysts can investigate the appropriateness of these orders.
- Analysts are able to drill down into the store ordering system to further evaluate the appropriateness of these orders.
- Analysts communicate with Pharmacy Supervisors to further understand the appropriateness of these orders, e.g. stores that support hospice centers, oncology centers, etc.
- Loss Prevention and Senior Management are involved as needed for escalations.

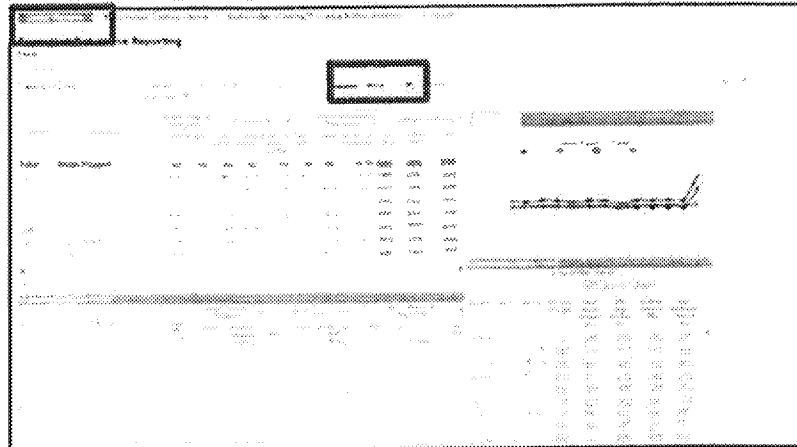
Process Steps

Use the following steps to access the system to identify orders of interest.

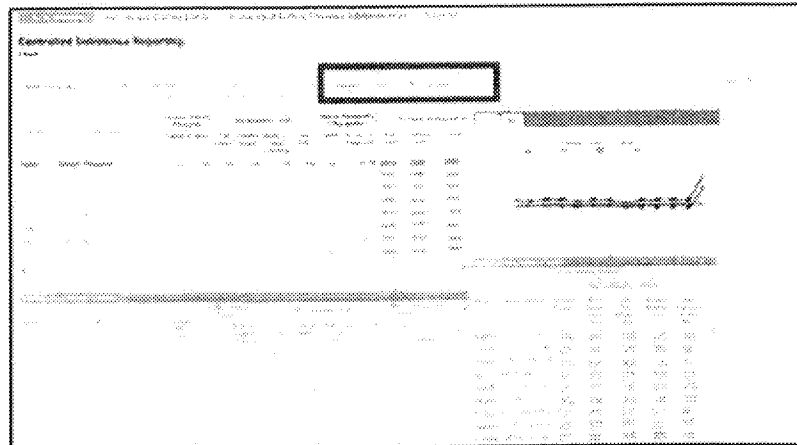
- To access the CSOM, type "CSOKPI" in your web browser; save it to your favorites for future use.
- Sign in with your authenticator.
- Use the screen shots below to guide you through the process of reviewing orders.

Suspicious Order Monitoring Program Policy and Procedures for the Pharmaceutical Integrity Team

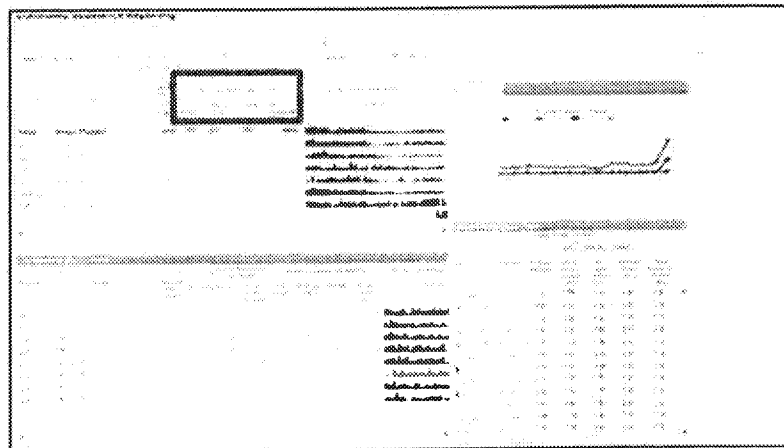
1. From the Order Review home screen, use the Location drop down to choose **Market**.



2. Enter the Market number and press enter.

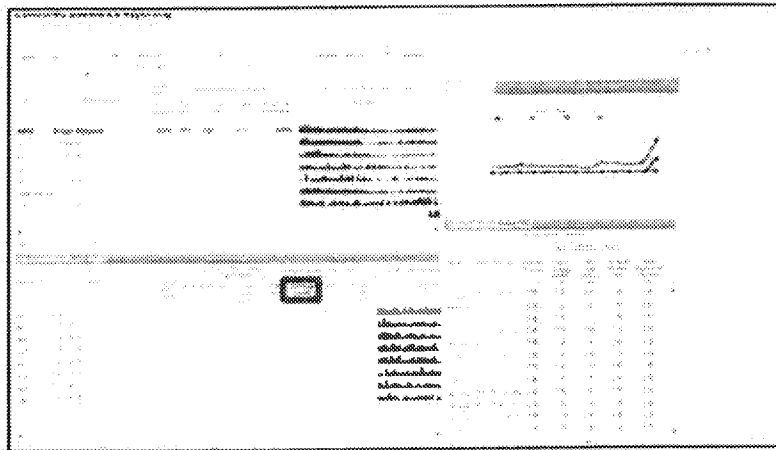


3. Scroll over in the top pane to view the number of System Reduced orders in this market.
 - The bottom left pane shows the list of districts in this market.
 - The bottom right pane shows the list of drugs ordered in this market.

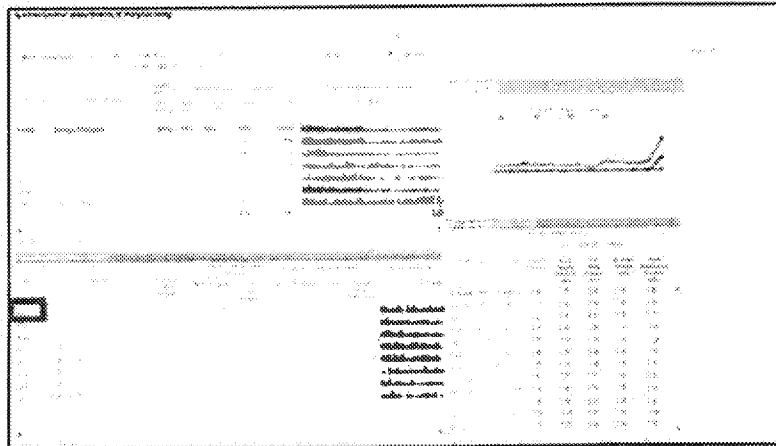


Suspicious Order Monitoring Program Policy and Procedures for the Pharmaceutical Integrity Team

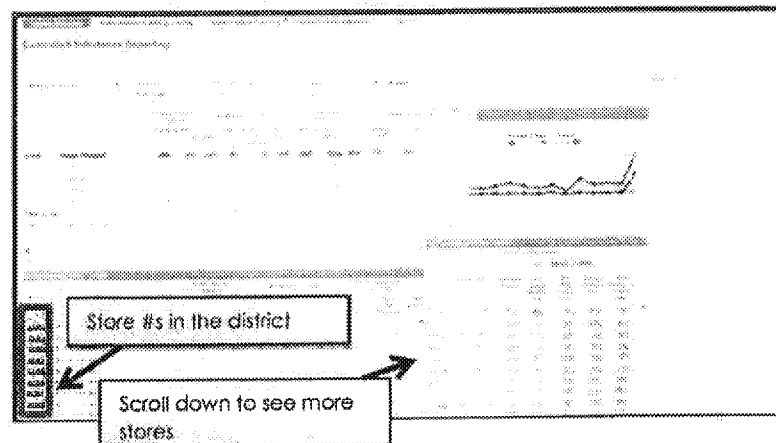
4. Click the Ceiling Limit box in the System Reduced Order in the bottom left pane to see the rank order of districts within a market (most reduced, in descending order.)



5. To view more details for a particular district, click the district number.

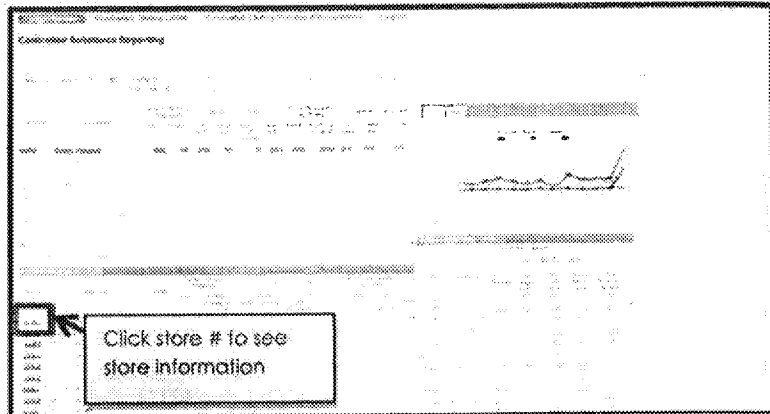


6. The system displays all stores in this district. All panes show data for this district only.

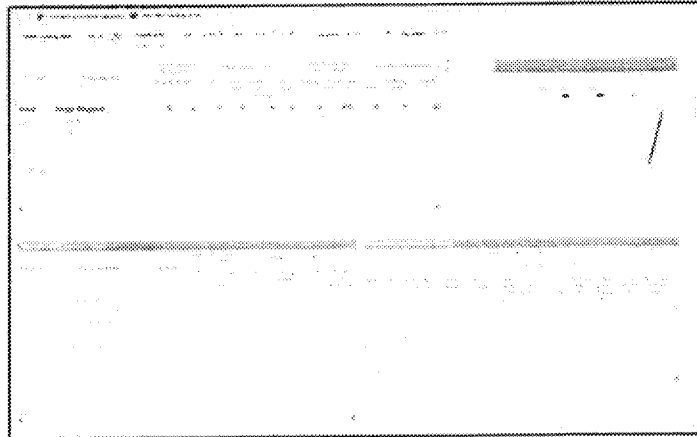


Suspicious Order Monitoring Program Policy and Procedures for the Pharmaceutical Integrity Team

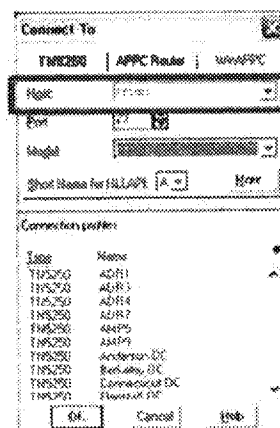
7. Click the Ceiling Limit box in the System Reduced Order in the bottom left pane to see the rank order of stores within a District. To see entries with a value other than 0 in the Ceiling Limit column for a specific store, click the store number.



8. Now all panes display specific data for the store you selected. Analyze the data by focusing on System Reduced Order(s) reduced for ceiling limit.

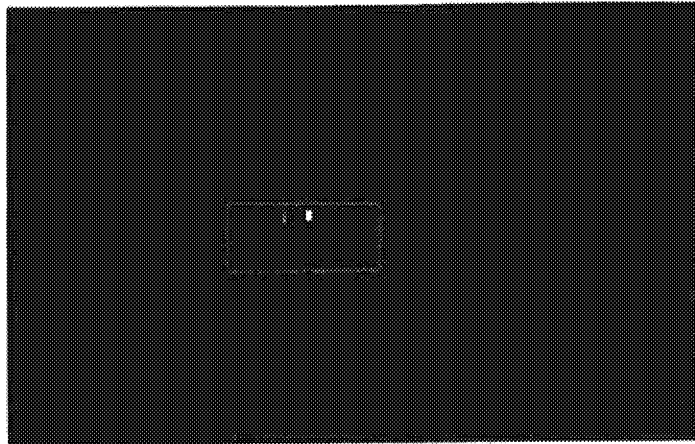


9. To evaluate each order, launch the application that connects to the Walgreens stores Strategic Inventory Management System (SIMS) on the store AS/400 server and enter the store number in the Host field.

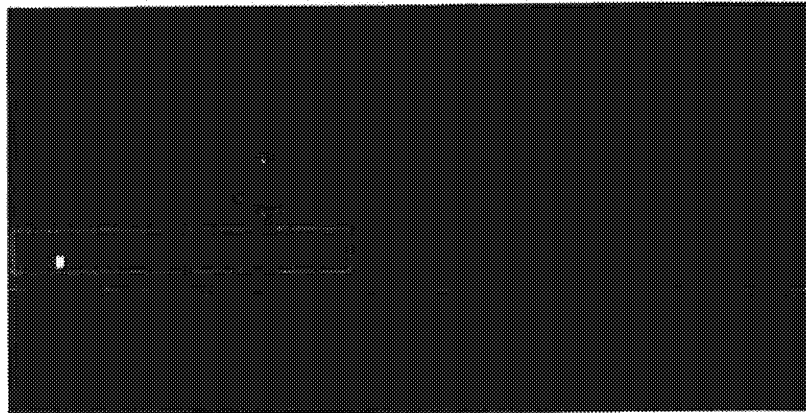


Suspicious Order Monitoring Program Policy and Procedures for the Pharmaceutical Integrity Team

10. You are now connected to SIMS. Log in with your corporate sign-on.

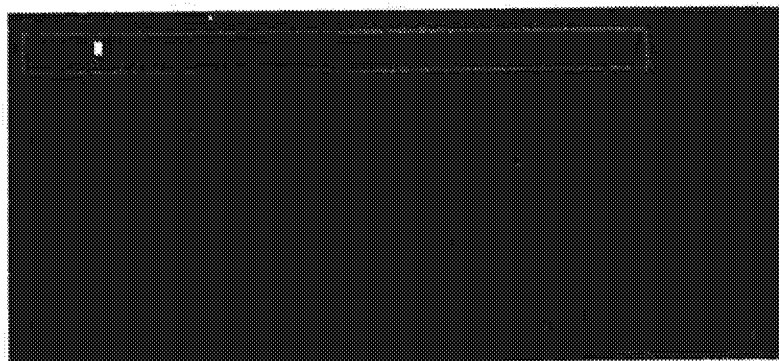


11. Type **Call ORCO400** on the selection or command line to access the store's SIMS Support screens.



12. To view the order history of the item, query SIMS by entering any of the following for the item:

- **WIC:** Walgreens Item Code
- **UPC:** Universal Product Code
- **PLN:** Planogram Link Number, an inventory control number



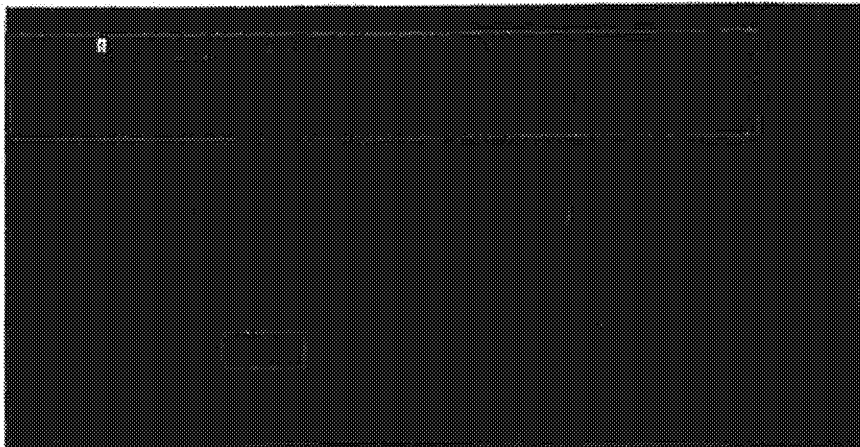
and press enter.

Suspicious Order Monitoring Program

Policy and Procedures for the Pharmaceutical Integrity Team

13. This displays the current open order. You can analyze the results of the previous query.

- Press **F16** to view historical orders for this item.
- Other function keys and selections drill down into more details about how and why the order was derived. Note that all details are not specific to Rx or controlled substances.



14. If, after using your professional judgment and pharmacy operations experience, you believe this order needs further investigation, email the Pharmacy Supervisor from the Pharmacy Integrity mailbox, using this email template.
- Remember to work all appropriate drugs into one email.
 - Please add your initials only to your email.
 - List store number in tracker.

Pharmacy Supervisor,

Store (xxxxx) has been flagged by Walgreens Rx integrity for higher orders of interest on WIC: (xxxxxx) item: (any controlled substance). The Walgreens DC will not fill any orders going forward unless the following information can be ascertained.

- What steps is the store taking to ensure Good Faith Dispensing?
- When was the last store visit performed by District Supervision?
- Provide a detailed explanation (+/-) of any adjustments made in SIMS?
- What is the percentage of 3rd party sales to cash on (insert controlled substance)?
- Are there any unusual geographical distances between patient, pharmacy, and prescriber that cannot be reasonably explained?
- Is there a noticeable trend in controlled substance prescribing by one prescriber or for a large number of patients?
- Provide the Top 5 prescribers in the area prescribing (insert controlled substance)

The information mentioned above should be provided to us within the next 48 hours so we may process these orders in a timely matter.

Thank you,
Pharmacy Integrity Analyst

15. After you have completed the process for one drug, move to the next on the list for the market you are reviewing.
16. After completing all drugs, move to the next market.

Policy and Procedures for the Pharmaceutical Integrity Team

- [illegible]

Suspicious Order Monitoring Program Policy and Procedures for the Pharmaceutical Integrity Team

18. Escalations

- Use your professional judgment and pharmacy operations experience when reviewing orders.
- You should escalate:
 - Unusual trends in the historical data
 - Patterns in drug families in certain markets and communities
- Escalate these instances and any questions that are not covered in these policies and procedures to your manager.
- Loss Prevention and Senior Management will be involved as needed for escalations.
 - Note that escalations may lead to policy re-education, other store level training, Loss Prevention investigations, and disciplinary action, when appropriate.

Mt Vernon Stores – DC 88008 – Product Ordering Process

Prior to the RX phase out to Amerisource Bergen (ABC) , Sunday – Thursday, a member of the SAIL team or the Computer Room would verify receiving stores RX transmissions for orders that would be processed at 3 pm CST that afternoon for next day picking.

This is based off of the stores weekly warehouse schedule that is transmitted to the stores from the DC standard shipping schedule ex shown below for #1444 showing that this store is a day 4 pick for schedule category (SS & RX = A) for a fleet delivery.

MT. VERNON		STANDARD SHIPPING SCHEDULE										WAVE PLANNING			
<div>Maintenance Mode</div>															
DC: 88008		Effective Date:		9/06/14		Pick Day:		4		Thursday					
Wave: _		Ship To:		01444		Schedule Category:		_							
		Ship To Cnsl Location:		_											
	Split		U	L	R		S	P	Reg	Dist		T	Hour		
? Ship	Store	Sched	U	H	T		E	D	F/C	F/C		S/C	R	Store	Cnsl
To	Ind	Cat	E	E	E		Q	Q	Pct	Pct		Ind	P	Ind	To

Below is a breakdown of roughly 4 stores suggested transmission information and how we would know if we were missing their RX suggested transmission or not or if they were a store already phased out to ABC.

Ex #1913 has “ABC” listed instead of RX, thus alerting DC personnel no RX transmission was needed from store.

Ex #1444 & #1679 If there were numbers listed to the left of the word RX, then we received that stores suggested RX transmission. If there were no numbers listed, then we knew that we were missing that stores RX suggested transmissions and a ticket would be opened with our 2nd level As400 Support Team

01444	27	R	26	RX	1140421	1140421	03:49:40	0
	7	R	1247	SS	1140421	1140421	02:00:06	0
	7	R	42	RX	1140421	1140421	02:00:08	0
	7	R	3	EXP	1140421	1140421	02:00:08	0
01679	73	R	1716	SS	1140421	1140421	03:49:47	0
	73	R	51	RX	1140421	1140421	03:49:51	0
01913	58	R	1730	SS	1140421	1140421	03:49:54	0
	58	R	3	EXP	1140421	1140421	03:49:58	0
				ABC				
02019	73	R	1701	SS	1140421	1140421	03:49:58	0
	73	R	44	RX	1140421	1140421	03:50:01	0
	73	R	2	EXP	1140421	1140421	03:50:01	0

To open a ticket for missing transmission with 2nd Level

Open Ticket for Missing Adjusted/Suggested Order

Contact Name: Shelley Crisel

Store #: XXXXX

Missing: ☒ Suggested ☐ Adjusted ☐ Both

Order Type: ☒ Rx ☐ S/S ☐ Both ☐ SmartFill

Do You Want Incident Returned When Resolved: ☒ No ☐ Yes

Comments:

Send Form

Clear Form

Mt Vernon Stores – DC 88008 – Order Error Process

Once it has been confirmed that the adjusted transmissions are across, the SAIL or the Computer Room TM will start reviewing stores' RX transmissions and see if there any RX items that have been ordered greater than 16 skus of one wic by 1 store.

If there is an item that appears to be questionable, a call will be made to the pharmacy of the respective store to review the order and make the change if needed, prior to OP-order processing.

Below are 3 different examples of items that were ordered incorrectly at the store level that were caught and changed at the DC level on the respective stores' Open Order Select screen for the order # that was transmitted

Transmission Query Report - KHRXREV

Sub Item?	Item #	Item Description	Ship To	Ordered SKUS	DC C/P	Est Cs Picked	Avg*3	Store Minimum	Qty Avail Reg	Order Type	Order Number
	459641	LC PLUS NEBULIZER SET	85710	30	12	2.50	0.01	1	64	R	312913

Transmission Query Report - KHRXREV

Sub Item?	Item #	Item Description	Ship To	Ordered SKUS	DC C/P	Est Cs Picked	Avg*3	Store Minimum	Qty Avail Reg	Order Type	Order Number
	673656	B D U/FN SYR SHORT 310GA 1CC 100S	04530	300	5	60.00	0.00	1	0	R	212407
	676986	WALG 30G 1CC INSULIN SHRT SYR 100S	04530	100	5	80.00	0.97	1	501	R	212407

Now with the recent ABC phase out, the report is still ran daily, however the DC personnel may or may not see order errors from the stores on RX items remaining in DC. Same process as mentioned above would still take place.

Walgreens

List 1 Chemical Storage & Handling

<i>Walgreens</i>	List 1 Chemical Storage & Handling
Supply Chain & Logistics, Distribution Centers	Document #: ALL_LIST 1 CHEM_1.6.1
Date Issued: 01/31/16	Revision #: 1.6.1
Approved By: Process Engineering	Page 1 of 13

Table of Contents

1.0	Purpose	2
2.0	Responsibilities & General Expectations	2
3.0	Definitions	2
4.0	Safety Guidelines	2
5.0	Licensing Requirements	3
6.0	Tools, Equipment, and Other Provisions for Team Members	3
7.0	Receiving	4
8.0	Location Control	5
9.0	Replenishment / Delayer / Detrash	5
10.0	Picking	5
11.0	Tote Audit	6
12.0	Shipping	6
13.0	Modified Post Billing (MPB)	6
14.0	Damaged Goods Processing	7
15.0	Physical Inventory	8
16.0	Report Generation	8
17.0	Process Flows	11
18.0	Reference Documents	13
19.0	Acknowledgement	13
	Document History	13



List 1 Chemical Storage & Handling

1.0 Purpose

The purpose of this document is to define high-level Standard Operating Procedures (SOPs) for distribution center Team Members responsible for receiving, storing, locating, replenishing, picking, auditing, and shipping **LIST 1 CHEMICAL** merchandise (e.g. Pseudoephedrine). This SOP is intended to supplement, not replace, existing SOPs in each functional area.

Most requirements dictated by government regulations are focused towards instances where less than case quantities (i.e. split case quantity, piece quantity) are accessible to Team Members or passers-by.

2.0 Responsibilities & General Expectations

- 2.1 **Distribution Center (DC) and Fleet Management** are responsible for ensuring compliance with the policies and procedures defined in this SOP. It is also the responsibility of Management to ensure that all Team Members handling **LIST 1 CHEMICAL** merchandise are fully trained and are in compliance with the policies and procedures defined in this SOP.
- 2.2 The **License Administration department** within Accounting Shared Services Management is responsible for applying for and maintaining licensing required for storing and handling **LIST 1 CHEMICAL** merchandise within the Walgreens Supply Chain and Logistics network. Additional licensing requirements may apply on a state-by-state basis.
- 2.3 **Team Members** are expected to abide by the policies, procedures, and guidelines established within this document.
- 2.4 **Team Members** are responsible for obtaining necessary supplies from the designated supply areas.
- 2.5 As government regulations or company guidelines are changed, it is the responsibility of the **Walgreens Legal and Compliance** teams to cascade updates to the DC and Fleet Management teams.
- 2.6 Formalized revisions to this SOP document will be made by the **Engineering, Compliance & Safety Departments**. Suggestions for revisions are encouraged from all business units, including DC operations, Field operations, and personnel within support functions.
- 2.7 **Asset Protection** is responsible for validating adherence to the security measures outlined in the SOP.

3.0 Definitions

ACCESS CONTROL: Typical access control provisions include demising walls or fencing, locked pedestrian entrance and exit locations (doors, turnstiles, etc.), and card/badge access readers at entry points. Contact Asset Protection with any additional questions.

CAMERA SURVEILLANCE: Typical camera surveillance provisions include cameras linked to the Asset Protection department's monitoring system.

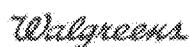
LIST 1 CHEMICAL: A chemical specifically designated by the Administrator of the Drug Enforcement Administration that, in addition to legitimate uses, is used in manufacturing a controlled substance/illicit drug in violation of the Controlled Substances Act, 21 U.S.C. § 802.

VAWD: Verified-Accredited Wholesale Distributors

4.0 Safety Guidelines

A Team Member does the following to ensure their safety and the safety of others:

- 4.1 Reads and follows safety notices and other posted information.
- 4.2 Observes and follows all safety instructions, signs, and operational procedures.
- 4.3 Immediately reports all unsafe conditions, hazards, or equipment to his/her manager.



List 1 Chemical Storage & Handling

Case/Item Handling Safety Rules:

- 4.4** Utilize "power zone" when lifting, turning, or carrying totes. The "power zone" is close to the body, between mid-thigh and mid-chest height. Comparable to the strike zone in baseball, this zone is where arms and back can lift the most with the least amount of effort.
- 4.5** Only authorized Team Members are allowed to use material handling equipment. When using material handling equipment, follow all rules and regulations regarding the specific equipment.

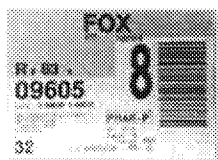
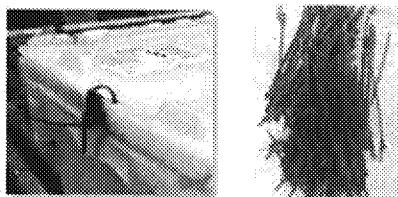
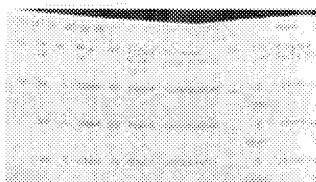
5.0 Licensing Requirements

In order to comply with Federal licensing requirements for storing and handling **LIST 1 CHEMICAL** merchandise, a DC must obtain one of the following:

- 5.1 LIST 1 CHEMICAL Permit (Preferred)**
- 5.2** Drug Enforcement Administration (DEA) Registration
- 5.2.1 Enables the storage and handling of federally regulated Schedule III-V Controlled Substances (CIII-V).
- 5.2.2 Incorporates additional regulatory requirements as well as a greater degree of government oversight and scrutiny. If a DC does not store and handle federally regulated CIII-V merchandise, these additional DEA constraints will add unnecessary ongoing operational costs. Furthermore, a DC with a DEA registration will need to obtain permission from the DEA prior to storing **LIST 1 CHEMICAL** merchandise within a cage (with **ACCESS CONTROL**).

6.0 Tools, Equipment, and Other Provisions for Team Members

- 6.1** Per federal regulations cited within section 18.1.2, background checks must be included with the screening process for selecting Team Members who **directly handle** or **have direct access** to **LIST 1 CHEMICAL** merchandise that is less than a case quantity (i.e. split case quantity, piece quantity).
- 6.1.1 These functions include, but are not limited to, Location Control, Split Case Replenishment, Split Case Picking, Detrash, and Audit.
- 6.1.2 DC Management teams must retain a record of employee background checks for duration of employment.
- 6.1.3 Walgreens will conduct **annual background checks** for existing employees who directly handle **LIST 1 CHEMICAL** merchandise. This is also a **VAWD** accreditation requirement (where applicable).
- 6.1.4 Federal regulations require that any employee who has knowledge of diversion from his/her employer by a fellow employee must report such information to Management. In addition, in the event an employee commits a felony while employed with the company, he/she must inform Management.
- 6.2** Team Members must have all of the following to perform tasks involving **LIST 1 CHEMICALS**:

<p>6.2.1 pink shipping labels</p> 	<p>6.2.2 tote ties</p> 	<p>6.2.3 Rx Check-Off Sheet</p> 
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Walgreens

List 1 Chemical Storage & Handling

7.0 Receiving

Annual background checks are not required for Team Members unloading or receiving full case quantities of **LIST 1 CHEMICAL** merchandise. The check-in process can occur while product is staged on the receiving dock.

7.1 Trailer Unload

- 7.1.1 For security purposes, many vendors will load **LIST 1 CHEMICAL** merchandise in the middle or front of a trailer to deter theft. This provision makes it difficult for **LIST 1 CHEMICAL** merchandise to be stolen in instances where the integrity of trailer security is compromised.
- 7.1.2 **LIST 1 CHEMICAL** merchandise should be clearly marked by the vendor packaging.

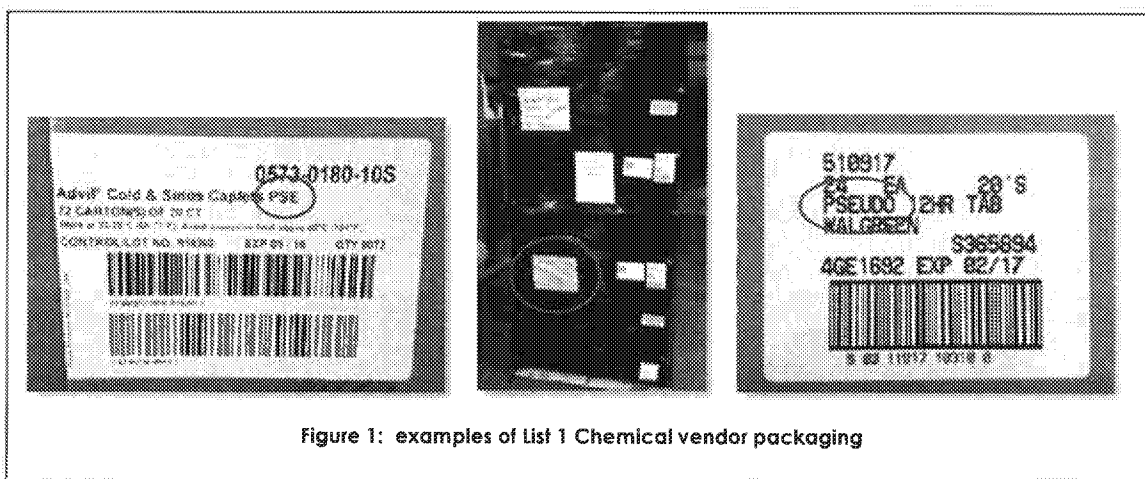


Figure 1: examples of List 1 Chemical vendor packaging

7.2 Product Check-In

- 7.2.1 An alert (red blinking indicator) on the SIMS receiving home screen designates a load containing **LIST 1 CHEMICAL** merchandise. [NOTE: Within SIMS, a fuchsia highlight of Freight-Bill number and WIC now indicates an item is Top 1K. Previously, this would have indicated an item was Regular Rx, C3-5, or PSE.]

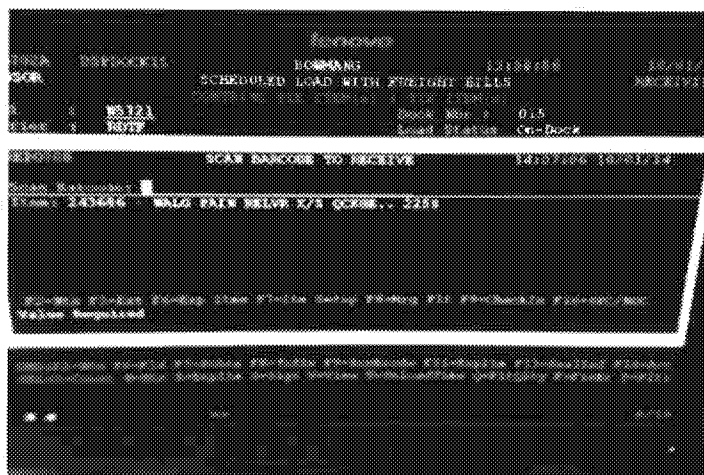


Figure 2: List 1 Chemical alert on SIMS receiving screen

Walmart

List 1 Chemical Storage & Handling

8.0 Location Control

- 8.1** Team Members performing this function will be in direct contact with individual units of **LIST 1 CHEMICAL** merchandise and must receive an annual background check.
- 8.2** Split Case Location Assignment (SIMS 1 & SIMS 2 DCs)
- 8.2.1 Split case merchandise must be located in an area of the warehouse that has **ACCESS CONTROL** and **CAMERA SURVEILLANCE**. This enables the DC to guard against theft and diversion.
- 8.3** Split Case Location Assignment (SLS DCs)
- 8.3.1 Split case merchandise must be located in the SPS carousels and must have **CAMERA SURVEILLANCE**. This process is deemed compliant because the stored merchandise is not accessible to Team Members or passers-by.
- 8.4** Full Case Location Assignment (SIMS 1 & SIMS 2 DCs)
- 8.4.1 Full Case merchandise must be stored in a pallet or hand-stack location with **CAMERA SURVEILLANCE**. **ACCESS CONTROL** provisions are preferred, but not required.
- 8.4.2 Asset Protection Solutions must be made aware of **LIST 1 CHEMICAL** locations without **ACCESS CONTROL** and must validate that the location has continuous security camera coverage. In addition, the location must be 10' or higher from the ground to limit pedestrian access to the merchandise.
- 8.5** Full Case Location Assignment (SLS DCs)
- 8.5.1 Full case **LIST 1 CHEMICAL** merchandise will be located in the ASRS in the same manner as all other full case products. This process is deemed compliant because the stored merchandise is not accessible to Team Members or passers-by.



Figure 3: split case location (SIMS 1 & SIMS 2 DCs)

9.0 Replenishment / Delayer / Detrash

- 9.1 Full Case Replenishment**
- 9.1.1 Team Members performing this function within an area of **ACCESS CONTROL** must receive an annual background check. Annual background checks are not required for Team Members replenishing full case locations *outside of a controlled access area*.
- 9.2 Split Case Replenishment**
- 9.2.1 Team Members performing this function will be in direct contact with individual units of **LIST 1 CHEMICAL** merchandise and must receive an annual background check.
- 9.3 Detrash (SIMS 2 & SLS DCs)**
- 9.3.1 Team Members performing this function will be in direct contact with individual units of **LIST 1 CHEMICAL** merchandise and must receive an annual background check.
- 9.3.2 Detrash stations used to process **LIST 1 CHEMICAL** merchandise must have **ACCESS CONTROL** and **CAMERA SURVEILLANCE**.

10.0 Picking

- 10.1 Full Case Picking**
- 10.1.1 Team Members performing this function within an area of **ACCESS CONTROL** must receive an annual background check. Annual background checks are not required for Team Members picking from full case locations *outside of a controlled access area*.
- 10.2 Split Case Picking**
- 10.2.1 Team Members performing this function will be in direct contact with individual units of **LIST 1 CHEMICAL** merchandise and must receive an annual background.



List 1 Chemical Storage & Handling

- 10.2.2 A shipping tote must be sealed with tote ties (reference section 7.2.2). Tote ties will prevent tampering once the container is no longer within the area of **ACCESS CONTROL** and **CAMERA SURVEILLANCE** (i.e. conveyance, accumulation, sortation, divert, and loading).

11.0 Tote Audit

- 11.1 Team Members performing this function will be in direct contact with individual units of **LIST 1 CHEMICAL** merchandise and must receive an annual background check.
- 11.2 Audits for totes containing **LIST 1 CHEMICAL** merchandise must be completed in an area with **ACCESS CONTROL** and **CAMERA SURVEILLANCE**. A best practice is to complete the audit process prior to the tote leaving the controlled access pick area. This enhances the operation's ability to properly control and monitor who is handling **LIST 1 CHEMICAL** product.
- 11.3 After audit completion, a shipping tote must be re-sealed with tote ties.

12.0 Shipping

12.1 Loading

- 12.1.1 **LIST 1 CHEMICAL** merchandise can be shipped via fleet or courier along with totes and cases of non-**LIST 1 CHEMICAL** merchandise. Therefore, all Shipping Team Members must receive training for the loading of **LIST 1 CHEMICAL** merchandise.
- 12.1.2 Annual background checks are not required for Team Members performing this function.
- 12.1.3 Each Team Member loading trailers must have an "Rx Check-Off Sheet" for their assigned stores/routes/doors. These reports can be generated by the Computer Room team or the Shipping Department Management team.
- 12.1.4 The Team Member must verify receipt of each pink label tote on the report by initialing the "Ck" column.
- 12.1.4.1 Discrepancies between the "Rx Check-Off Sheet" and physical verification must be brought to the attention of the Function Manager for investigation.
- 12.1.4.2 Team Members that identify totes missing one or both tote ties must notify their Function Manager immediately. The Function Manager must have the tote audited for accuracy prior to shipment.



Figure 4: Initialed "Rx Check-Off Sheet"

12.2 Case Hospital

- 12.2.1 Annual background checks are not required for Team Members performing this function.
- 12.2.2 Team Members that identify totes missing one or both tote ties must notify their Function Manager immediately. The Function Manager must have the tote audited for accuracy prior to shipment.

13.0 Modified Post Billing (MPB)

- 13.1 Shipments must include a supplemental manifest page (i.e. WPPB201 report) citing the **LIST 1 CHEMICAL** parcels (i.e. pink label totes). Drivers are expected to account for all listed parcels and obtain a signature from a representative of the Store Management Team at the time of delivery.
- 13.2 Any **LIST 1 CHEMICAL** discrepancies (i.e. missing, damaged, or tampered) reported to S.A.I.L. must be investigated through completion.

14.0 Damaged Goods Processing

Non-salable **LIST 1 CHEMICAL** merchandise should be dispositioned using the flowchart in figure 5.

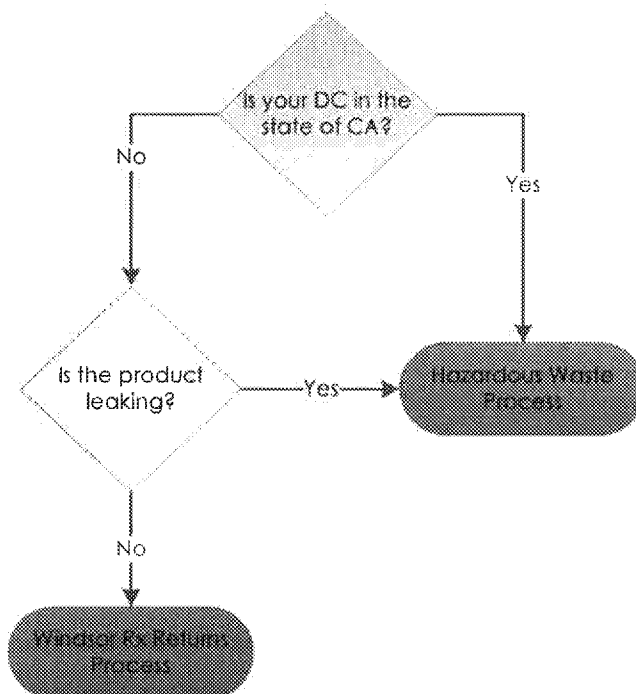


Figure 5: List 1 Chemical disposition flowchart

Windsor Rx Returns Process

List 1 Chemical
Returns JI 1.0.doc



List 1 Chemical Claim
Form.xls



Account Adjustments
JI.pdf

Hazardous Waste Process

As a DC Management team configures the process to handle damaged **LIST 1 CHEMICAL** merchandise at their facility, they must account for Federal requirements related to **LIST 1 CHEMICAL** merchandise, as well as all other applicable waste disposal regulations in their state.

The facility will set up a hazardous waste tote inside the **LIST 1 CHEMICAL** pick area.

14.1 The hazardous waste tote must be labeled with the appropriate "General Rx" hazardous waste label.

14.1.1 The tote label must be dated when the first waste item is placed in the tote.

Walgreens

List 1 Chemical Storage & Handling

- 14.1.2 The tote label must be replaced after the waste vendor performs a pickup.
- 14.2 Each waste item must be placed in a zip seal bag.
- 14.3 Write the following information on the zip seal bag (either directly on the bag or on a blank thermal that can be attached directly to the individual bag):
- 14.3.1 NDC
- 14.3.2 Drug name
- 14.3.3 Manufacturer
- 14.3.4 Quantity
- 14.4 Only the same type of item (same WIC/NDC) can be placed inside the bag.
- 14.5 The Function Manager assigned to the **LIST 1 CHEMICAL** area must communicate with the Environmental Champion that waste from the **LIST 1 CHEMICAL** pick area requires pickup.
- 14.6 Pseudoephedrine (PSE) is a Controlled Substance in the following States:
- 14.6.1 Mississippi and Oregon – CIII; prescription only.
- 14.6.2 Arkansas, Georgia, Illinois, Iowa, Kansas, Louisiana, Minnesota, Missouri, New Mexico, Oklahoma, West Virginia and Wisconsin – CV.
- 14.6.3 The waste vendor will need to know in advance that waste Controlled Substances generated in these States requires pickup so that they can plan accordingly.
- 14.7 Team Members handling hazardous wastes will need to be trained in accordance with the environmental hazardous waste procedure for Processing Damages. The DC Environmental Champion will assist in performing TM training.
- 14.8 Additional guidance on this topic is available from the Compliance department.

Hazardous Waste

Rx

Toxic Pharmaceutical Ignitable
Flammable, Corrosive, and/or Toxic

Walgreens Family of Companies

Store number and address:

Accumulation Start date:

NO CONTROLLED SUBSTANCES
PRODUCT THAT HAS CHERET VALUE
P-Listed Waste

Compendium Examples:
✓ Rx Medications
✓ Compounding Steroids

Waste must be sealed in a zip seal bag and labeled. TOPE MUST REMAIN CLOSED EXCEPT WHEN OPENED. Reuse and recycle when appropriate.

For complete Policy & Procedures, see StoreNet, Refill & Pharmacy Policy and Procedures.



Figure 6: Hazardous Waste label

15.0 Physical Inventory

- 15.1 Team Members performing physical inventory will be in direct contact with individual units of **LIST 1 CHEMICAL** merchandise and must receive annual background checks.
- 15.2 Every **LIST 1 CHEMICAL** item should be counted at least once every 2 weeks. Any discrepancies must be communicated to the Function Manager and investigated through resolution.

16.0 Report Generation

Any facility that holds a **LIST 1 CHEMICAL** permit is subject to inspection by the DEA. Reports are available within Walgreens' existing systems for use during a DEA audit.

Ways to identify LIST 1 CHEMICAL merchandise in the AS/400:

- 16.1 Dedicated opstudy and product category

OPSTUDY	PRODUCT CATEGORY (prod cat)
144 ALLERGY	004 – PSE
184 COUGH & COLD	011
015 RX MISC	007
207 PEDIATRICS	005

- 16.2 Product Type = PSE LIST ONE

ALL_LIST 1 CHEM_1.6.1

Page 8 of 13

Generating LIST 1 CHEMICAL reports from the AS/400 menu:

ALL_LIST 1 CHEM 1.6.1

Product Sales Data - Q3 2023									
Product ID	Product Name	Category	Region	Units Sold	Revenue	Profit	Market Share	Customer Rating	Notes
P001	Smartwatch X1	Wearables	North America	15000	\$150000	\$45000	12%	4.5	High demand, low competition
P002	Wireless Earbuds Y2	Audio	Europe	20000	\$200000	\$60000	15%	4.7	Strong growth in Europe
P003	Smartphone Z3	Mobile Devices	Asia Pacific	30000	\$300000	\$90000	18%	4.6	Competitive market
P004	Tablet W4	Tablets	South America	10000	\$100000	\$30000	8%	4.3	Stable performance
P005	Smart TV V5	Home Appliances	Oceania	5000	\$500000	\$150000	10%	4.4	High price point, good value
P006	Smartwatch X1	Wearables	North America	15000	\$150000	\$45000	12%	4.5	High demand, low competition
P007	Wireless Earbuds Y2	Audio	Europe	20000	\$200000	\$60000	15%	4.7	Strong growth in Europe
P008	Smartphone Z3	Mobile Devices	Asia Pacific	30000	\$300000	\$90000	18%	4.6	Competitive market
P009	Tablet W4	Tablets	South America	10000	\$100000	\$30000	8%	4.3	Stable performance
P010	Smart TV V5	Home Appliances	Oceania	5000	\$500000	\$150000	10%	4.4	High price point, good value

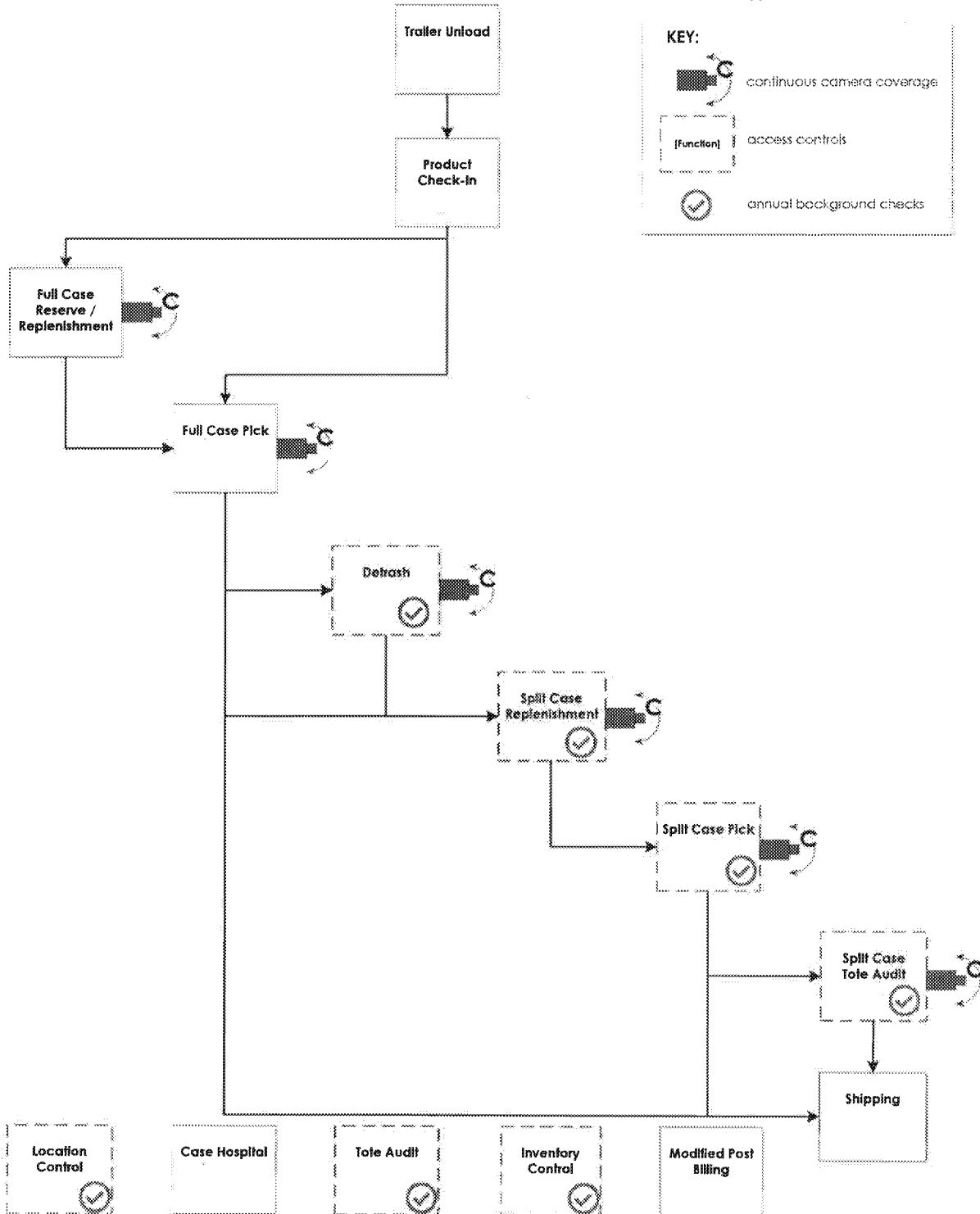
ALL_LIST 1 CHEM_1.6.1

Walgreens

List 1 Chemical Storage & Handling

17.0 Process Flows

SIMS 1 & SIMS 2 DC



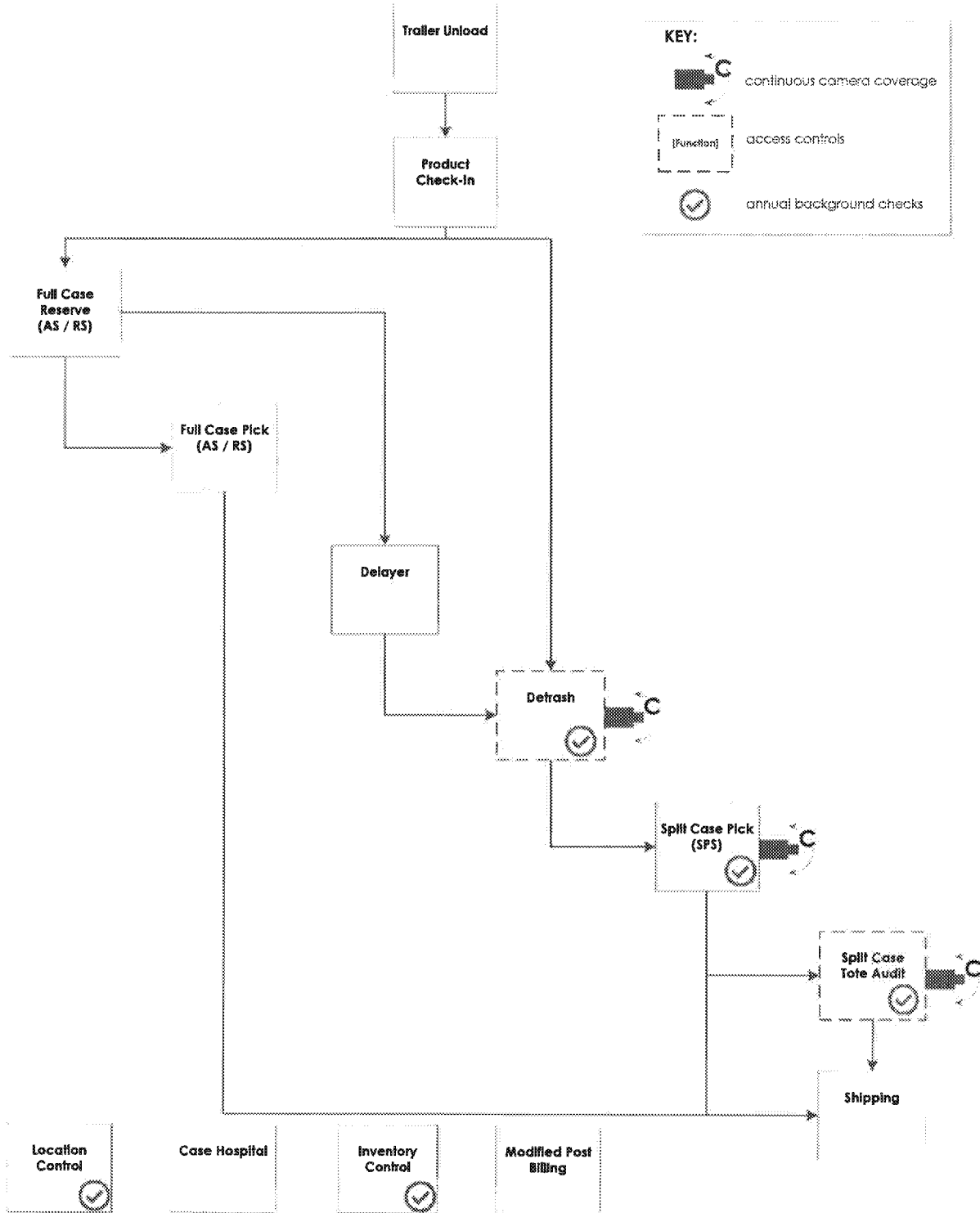
ALL_LIST 1 CHEM_1.6.1

Page 11 of 13

Walgreens

List 1 Chemical Storage & Handling

SLS DC



Walgreens

List 1 Chemical Storage & Handling

18.0 Reference Documents

18.1 Copies of the following federal regulations are on file with the Walgreens Legal Department and are applicable to the storage, handling, and delivery of **LIST 1 CHEMICAL** merchandise.

18.1.1 21 CFR 1309.71 General security requirements

18.1.2 21 CFR 1309.72 Felony conviction; employer responsibilities

18.1.3 21 CFR 1309.73 Employee responsibility to report diversion

19.0 Acknowledgement**Statement of Compliance:**

I _____ have read and understand the above Standard Operating Procedure for **LIST 1 CHEMICAL Storage & Handling**.

Team Member Signature

Date

Supervisor Signature

Date

Document History

Version #	Version Date	Description of Change	Author
1.0	09/15/14	Original version	Brit Videbeck
1.1	10/05/14	Added photos and observations from Windsor DC	Brit Videbeck
1.2	10/22/14	Incorporate Walgreens Compliance input	Stan Zagula
1.3	10/28/14	Incorporate DC team input	Brit Videbeck
Redacted – Attorney Client Privileged			
1.5	04/11/15	Added damaged product procedures	Dan Leskovec
1.6	10/02/15	Included operational feedback, Redacted – Attorney Client Privileged updated damaged product procedures (Gina Hastreiter), and AP changes (Josh Durkey)	Kristy Chandler
1.6.1	01/22/16	Incorporated feedback from DC GMs and DC Admins	Kristy Chandler